CONFLICTS OF INTEREST POLICY

1. PURPOSE

The purpose of this Conflicts of Interest Policy ("Policy") is to form a written and sustainable policy, to protect the accuracy of the Enpara Bank A.Ş 's ("Bank") decision-making processes and to protect prestige and credibility of the Bank's management, employees and customers. The Policy is formed in such a manner that the management, employees and customers of the Bank avoid any actual conflicts of interest as well as the perceived conflicts of interest.

The Bank is expected to act honestly and objectively by considering interests of the customers when maintaining commercial activities. Mismanagement of conflicts of interest may harm the reputation of the Bank while leading to negative publicity.

With this Policy, it is aimed to provide guidance for effectively managing possible conflicts of interest within the scope of legal regulations, by considering procedures, rules and processes.

2. SCOPE

The Bank's employees, Board members of the Bank and Top Management must comply with the rules set by this Policy.

This Policy includes transactions related to services provided to all customers without any exception.

To achieve the aforementioned goals and objectives, risks that may harm the interests of the customers are required to be identified and managed for services performed by the Bank or on behalf of the bank. Accordingly, criteria to be adopted and procedures to be followed to determine, manage and record below-mentioned possible conflicts of interest are explained within the scope of this Policy.

- Conflicts that arise from services and activities of the Bank
- Conflicts that arise from employees' personal interests
- Conflicts that arise from Capital Markets transactions
- Conflicts that arise from the Bank's organizational structure
- Conflicts that arise from transactions with the controlling shareholder and group companies

3. DEFINITIONS

Conflict of Interest: Situation that prevents or may prevent employees from fulfilling their duties objectively and that may affect all sorts of monetary or non-monetary benefit and personal interest,

Employee: Real person that is employed in the Bank,

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Controlling Shareholder (Parent Company): The Bank or financial holding company that consolidates financial statements of the partnerships under its control and the partnerships defined by procedures and principles determined by the Board,

Top Management: General Manager and Executive Vice Presidents of the Bank, the managers of internal systems units and the managers of the units except for consultancy units who serve in positions equivalent to or higher positions than Executive Vice President in terms of their authorities and duties even if they are employed with other titles.

4. REFERENCE

1- Banking Regulations and Capital Markets regulations
2- Enpara Bank Employee Code of Conduct Procedure (TAL.00374)
3- Enpara Bank Anti-Bribery and Anti-Corruption Policy (POL.00022)
4- Enpara Bank Corporate Governance Policy (YÖN.00031)
5- Information Security and Cyber Security Policy (YÖN.00028)
6- Disciplinary Board Procedure (TAL.00242)

5. RESPONSIBILITY

The Board of Directors, Top Management, Compliance Unit, all departments and employees associated with the customer are responsible for conducting this Policy. The Policy shall be reviewed on a periodic basis once a year and shall be revised if needed.

6. CONFIDENTIALITY

According to the banking regulations, capital markets legislation, Labor Law and other applicable legislations, all the information of the Bank and customers that employees know within the scope of their titles and jobs are considered as “Confidential Information”. The employees, Board of Directors and Top Management of the Bank who are held responsible with this Policy, will not share Confidential Information with anybody or any institution except legally authorized authorities. The employees, Board of Directors and Top Management of the Bank pay attention to share information within the Bank, with the Controlling Shareholder and Group Companies in legal limits and not more than enough. Thus, documents that contain confidential information cannot be kept in open and accessible to unauthorized persons and necessary precautions are taken to keep it confidential.

7. APPENDIX

Examples regarding the situations that may cause conflicts of interest are stated in **Appendix-1**

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8. AUTHORITY AND MANAGEMENT

The Board of Directors and Top Management of the Bank formed this Policy to determine, prevent and manage the conflicts of interest that may arise between the Bank and QNB Group companies, the Bank and QNB Group managers, employees, partners and between the parties mentioned and our customers or among our customers.

This Policy and amendments to be made, enter into force with the opinions of Corporate Governance Committee and by receiving approval from the Board of Directors.
All employees of the Bank, Board of Directors and Top Management are obliged to comply with this Policy.

9. CONFLICT OF INTEREST BETWEEN THE BOARD OF DIRECTORS AND TOP MANAGEMENT

The Board of Directors and Top Management of the Bank should avoid any conflict of interest between them and the Bank and QNB Group companies. In line with QNB Group policies and the Bank's internal processes, The Board of Directors and Top Management of the Bank should avoid transactions that will cause conflict of interest within the scope of this Policy and harm "Independence" principle as part of their job.

In case a Board member, a relative or an organization related to this person benefit from this person's position as a Board member, this situation is also considered as a conflict of interest. The Chairman of the Board should be informed on this conflict of interest. The Board members are obligated to comply with 395th and 396th Articles of the Turkish Commercial Code.

10. CONFLICTS OF INTEREST WITHIN THE SCOPE OF CAPITAL MARKETS ACTIVITIES

Bank pays attention to select proper product and services for the customers, act in accordance with Know Your Customer rule within the scope of legal regulation, direct customer to conduct transactions with instruments compliant with customer's profile and knowledge, give timely and true risk notifications related to conducted transactions. while providing services related to the activities of reception and transmission of orders and other capital markets activities in line with Capital Markets legislations. Employees, Board of Directors and Senior Management of the Bank avoid transactions that may result a conflict of interest against the Bank or customer.

For this reason; authority and responsibilities to prevent conflict of interest have been set in every unit of the Bank, systemic entry and approval authorizations have been identified based on employees' access level and are being effectively and periodically controlled. Inter-unit authority and responsibilities have been identified and clearly added to processes, segregation of duties are effectively executed.
Bank employees when they are authorized to conduct transactions on behalf of their customers or state opinion in terms of a recommendation, should act in accordance with equal treatment principle and be transparent under conditions that may effect the employee. Furthermore, they should not transact for their accounts in a manner that contradicts their recommendation which gives rise to an apparent conflict of interest.

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Activities are executed within certificate of authority obtained in accordance with the relevant capital markets legislation, under the responsibility of a manager with qualifications specified in the legal regulations and the required licenses and sufficient number of personnel.

Bank operates in favor of QNB Yatırım Menkul Değerler A.S. (QNB Yatırım) is a QNB Group company, within the scope of the activity of reception and transmission of orders.

The internal audit and risk management units are organized in the Bank and QNB Invest which performs the order, in order to minimize conflicts of interest that may arise from the bank or the order execution institution making a profit, or that may arise from one customer making a profit and another customer making a loss; in this way, it is essential that customer orders should be performed in accordance with the relevant legislation, according to regulation of documentation and registration, in a provable way, within the principals set forth in issued agreements and by the conscious of attention that is required to be shown for the performance of order in the best way.

Necessary compliance tests are performed on behalf of our Bank and the intermediary institution, regarding products and services subject to activities of reception and transmission of orders within the legal framework comply with our customers' product knowledge and risk preferences; it is ensured that they are informed about the contracts, order execution policies, risk notification forms and processes related to the activity and the damages that may occur due to the nature of the products and services subject to the activity before benefiting from the relevant product / service.

Customer orders related to the activity of execution of orders are recorded under a certain sort, time, price, amount, type of instrument, customer name, surname, the customer account number and records are kept so as to be submitted with regard to Policy of the Bank for the prevention of conflict of interest.

11. DETERMINATION AND MANAGEMENT OF CONFLICTS OF INTEREST

All employees of the Bank, Board of Directors and Top Management are responsible for reporting conflict of interest breaches in accordance with this Policy in order to protect reputation of the Bank.

The Bank determines certain criteria appropriate for the Bank's size, organizational structure and nature, size and complication of the activities carried out, prepares procedures relevant to workflows and keeps them up-to-date in order to avoid and manage the conflicts of interest. In this context, the employees are expected to be prepared on how to manage the potential conflicts of interest which may damage the interests of the customers.
The Bank acts considering criteria listed below for the purpose of determining the types of the conflict of interest which occur in the process of providing services to the customers or which may harm the interests of the customers in any way without being associated with this process:

- A financial gain or loss in the customer's account,
- To perform transaction on behalf of the customer of which results are away from the customer's interest or to gain advantage as a result of service provided to the customer

- To set the interests of a customer or group of customers above the interests of another customer or group of customers, thereby to provide financial or non-financial incentives,
- To receive an incentive from any person other than the customer, in the form of money, goods or services other than the standard commission or fee in connection with the service provided to the customer,
- To receive an incentive in the form of money, goods or services related to a service which has been provided or shall be provided by a customer.

The examples regarding the issues provided by or on behalf of the Bank that cause damage to the customers by creating a conflict of interest or causing the occurrence of such conflicts are shown in the Appendix-1.

Generally, the Bank takes the necessary measures to manage the conflicts of interest and carries out works for this purpose. The purpose of procedures, the works carried out and measures taken is to ensure that the relevant persons who work in different business fields carry out their activities independently from the activity size of the Bank and the risk of material damage to the interests of the customers in order to mitigate the conflicts of interest.

Appropriate criteria and activities have been implemented by the bank for managing conflicts of interest. These criteria and activities are included in the relevant instructions and procedures. While the Bank's internal regulations were being created, it has been considered that the relevant persons, who work in different business fields and may cause the conflicts of interest, are independent from the Bank's activities and size and free from the risk of damaging the interests of the customers financially. Therefore, job descriptions, authority & responsibility documents and code of conduct procedure of the Bank's employees have been determined by taking these principles into account. Performance and rewarding criteria of the Bank's employees are also clearly defined and announced to them.

Also, duties reported to the Bank's employees for each business process and authorities registered special to each duty are available within each business unit for prevention of potential conflicts of interest in the Bank and in parallel with segregation of duties, and also authority matrix of which entry/approval system has been formed specific to mentioned authorities is available.

Furthermore, the Bank's employees are obliged to;

- obtaining certificate as required for duties in accordance with the work for which they shall be assigned within the relevant regulations related to activities and services performed,
- carry out the transactions and actions required by only their duties within working hours, fulfil their duties efficiently and on time by knowing the Bank's internal regulations and legal regulations required by their duties and following the amendments, showing care, attention and loyalty required within these provisions and report frauds against legislation and/or the Bank's internal regulations via Employee Hotline from the moment when the frauds have been learned,
- not to exceed the authority limits designated by job descriptions of the units.

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If the Bank's employees notice a perceived or actual conflict of interest, they should report this to hotline of Internal Control and Compliance Department. The Compliance Department reports all incidents related to conflict of interest to Chief of Group Compliance directly.
The Bank must inform the customers on time and properly in case of a perceived conflict of interest (See Disclosure of Possible Conflicts of Interest to Customers).

In case an employee decides on a QNB Group transaction (such as investment, loan, procurement or recruitment) directly or indirectly in favor of himself/herself or a relative, the employee must

- share his/her interest and nature of the relationship with related party with the Corporate Governance Committee,
- not be involved or try to be involved in the decision-making process.

The Bank guarantees appropriate management of related conflicts of interest and tries to protect the interests of the customers by disregarding, if possible, conflicts of interest are between the customers or customers and employees.

Organizational structure that has been established in the Bank in order to prevent possible conflicts of interest, general administrative measure taken and regulations as well as general procedures and principles on the management of possible conflicts of interest that the Bank may face due to main activities and ancillary services issues are determined. In addition, the aforementioned information is included in the Bank's investment products agreement and investment products pre-information and risk notification form.

12. DISCLOSURE OF POSSIBLE CONFLICTS OF INTEREST TO CUSTOMERS

If the Bank considers that organizational and operational regulations made at the Group level do not prevent the risk of damage for customers' interests adequately in order to be managed conflicts of interests, before performing process on behalf of customers, our bank gives to the customers clear information about the general structure and the source of conflicts of interest.

13. INFORMING CUSTOMERS

The Bank publishes current version of this Policy on the website in order to inform the customers regarding possible conflicts of interest.

14. DECLARATION

Within the frame of above-mentioned policy provisions, conflicts of interest which may arise between the Bank and the Group companies and customers or between customers are designated for providing a right, clear, transparent and effective service to the customers, statements are included concerning the method of prevention and management of the conflicts of interest and the method of informing the customers about possible conflicts of interest are also explained.

All employees for whom mission of reading is assigned and who complete their mission by approval accept and declare that they read this Conflicts of Interest Policy and adopt this document as a policy of corporate of the Bank; they will respect and obey the issues mentioned in Conflicts of Interest Policy and be responsible in advance in case of acting contrary to this policy. In case of a breach of this Policy, disciplinary penalties stated in Disciplinary Board Procedure are imposed.

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Appendix-1
Examples for conflict of interest:

Between the Bank and current/potential customer:

- The Bank and \ or its Group continues transactions related to financial assets although it has knowledge about the deterioration of a company's financial situation.
- The employees of the Bank and/or its Group perform unnecessary multiple transactions on behalf of the customers and provide extra earnings from the commissions.
- Bank and/or its Group becomes both buyer and seller in a transaction.The employee of the Bank and/or its Group accepts a gift from a customer that may affect his/her independence and integrity.
- The executives of the Bank and/or its Group join in the Board of Directors and/or Board Committees of the customer companies.
- The employees of the Bank and/or its Group trade in their personal accounts based on the important information of the Bank (insider trading).
- Employees are awarded for selling complex products which may not be suitable for customers.
- Conflicts of interests of customers who have financial interests.
- Execution of specific customer orders primarily from other customers.
- Employees perform activities that may lead to information abuse within the Capital Market Law No. 6362.

Before performing substantial sales or purchase orders made by the customer, performing for other customers or on their behalf.
Conflicts of interest related to the customers that can be broadly described in scenarios where the Bank, an employee or a third-party representative:

- Is likely to gain unjust profits or avoid financial loss at the expense of a customer,
- Has an interest in the outcome of a service provided to a customer or of a transaction carried out on behalf of a customer which is distinct from the customer's interest in that outcome,
- Has a financial or other incentive to set the interests of another customer or customer group above the interests of the customer,
- Carries on the same business with a customer,
- Receives or will receive an incentive from any person (other than the customer) in the form of money, goods or services other than the standard commission in connection with the service provided to the customer,
- Has a financial or other incentive to favor the sale of a particular product or service to a customer which is not in the best interest of the customer.

Conflicts of interest related to the Bank can be broadly described as scenarios where;

- An employee's interest in the outcome of a particular activity or attempts differ from the Bank's interest,

- An employee (family member or close personal relationship) receives a financial or other significant benefit as a result of the employee's position at the Group,

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- An employee has the opportunity to influence the Bank's administrative or other important decisions related to business agreements in a manner that leads to personal gain or advantage for the employee, family member or close personal relationship,
- An employee's current financial or other interests or engagement in previous activity or attempts or relationship with another person impair his/her judgment and objectivity in carrying out his/her duties and responsibilities to the Bank,
- A division of the Bank sets its interests above another division of the Bank which is inconsistent with the best interest of the Bank including the selection of suppliers,
- A conflict of interest arises in connection with a transaction or agreements between the Bank and a material shareholder or between the group companies of the Bank due to the close relationship between the parties.